



CHEFA
Connecticut Health & Educational
Facilities Authority

Testimony Submitted to the Higher Education and Employment Advancement Committee

March 2, 2023

SB 1104 “An Act Implementing the Recommendations of The Connecticut Health and Educational Facilities Authority”

Good afternoon, Co-Chairs Senator Slap and Representative Haddad, Ranking Members Senator Kelly and Representative Haines, and distinguished members of the Higher Education and Employment Advancement Committee. My name is Jeanette W. Weldon, and I am the Executive Director of the Connecticut Health and Educational Facilities Authority (CHEFA).

I am here today to speak in **support of SB 1104** “An Act Implementing the Recommendations of The Connecticut Health and Educational Facilities Authority.”

CHEFA is a quasi-public agency that issues tax-exempt revenue bonds on behalf of Connecticut’s nonprofit hospitals, colleges, universities and other qualifying 501(c)(3) organizations. These investments support a critical infrastructure that cares for our health, educates us, and enhances the welfare and prosperity of Connecticut residents. In addition to its bonding and loan programs, CHEFA also offers grant programs that provide capital and operating grants to eligible nonprofits throughout the state.

It is important to note that CHEFA is a conduit issuer--almost all bonds issued by CHEFA are not obligations of the State or CHEFA, but of the underlying not-for-profit entity. Their repayment does not use any state dollars. The only exceptions to this have come because of legislative mandate.

Currently, CHEFA bonds issued on behalf of the Connecticut State College and University system are indirectly supported by the state through a Special Capital Reserve Fund (SCRF) structure. This Reserve Fund has never been drawn upon to support debt service and the CSCU bonds have been self-supporting.

Additionally, bonds issued by CHEFA pursuant to the Child Care Facilities Program have their debt service paid by the State as part of a state program created in 1997 to support childcare facility development.

The proposals contained in SB 1104 will provide for greater clarity in the interpretation of CHEFA’s statutes and better equip CHEFA to achieve its mission of supporting non-profit entities throughout the State, while enhancing the welfare and prosperity of the citizens of the State of Connecticut.

SB 1104 will amend the current definition of project as outlined in CHEFA’s enabling statutes. This will allow CHEFA the flexibility needed to meet the changing needs of our clients and other 501(c)(3) organizations by allowing CHEFA to provide financing for programs, services, and other mission-focused initiatives. These bonds would not be SCRF backed by the State, and no state funding would be involved.



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SB 1104 also updates CHEFA's enabling statutes by deleting outdated language in CHEFA's enabling statutes, and/or references to programming that is no longer used or available. This will provide for greater clarity in the interpretation of CHEFA's enabling legislation.

Thank you for your time. I am happy to answer any questions you might have.